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Held at Headquarters, New York,
on Wednesday, 25 April 1990, at 10 a.m.

President: Mr. GARBA (Nigeria)

later: Mr. MAKARCYK (Poland)
(Vice-President)

- General debate [8 and 9] (continued)

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The meeting was called to order at 10.20 a.m.

AGENDA ITEMS 8 AND 9 (continued)

GENERAL DEBATE

Mr. TRAORE (Mali) (interpretation from French): On behalf of my delegation, I should like once again to offer you, Sir, our sincere congratulations for the outstanding manner in which you have guided our work ever since your election to the presidency of the General Assembly at its forty-fourth session. Your abilities as an experienced diplomat made it possible for the sixteenth and seventeenth special sessions of the General Assembly to achieve tangible results. We therefore have reason to believe that the session that has just begun will also be crowned with success. I should also like to thank the Secretary-General of the United Nations for his very useful contribution to the preparation of our work.

For some time now, the world has been experiencing profound upheavals that have appreciably improved international relations. Africa, for its part, has just celebrated two major events - the release of one of its most famous sons, Nelson Mandela, and Namibia's accession to independence.

In that connection, I am very happy to pay tribute to the South West Africa People's Organization which, under the wise and enlightened leadership of President Sam Nujoma, mobilized the entire people against foreign occupation and apartheid. This is an opportune moment to welcome the new independent State of Namibia as a Member of our Organization. Through me, Mali would like to assure that country of its support and solidarity.

Over the years, promoting and strengthening the economic and social development of peoples has always been one of this Organization's main concerns. For the past 30 years, the community of nations has elaborated development

(Mr. Traore, Mali)

strategies for development decades in order to translate that objective into reality. As though to demonstrate that those strategies have not always been successful, being founded on inadequate models and systems of economic relations, the developing countries tried to promote and establish a new international economic order that would be more just and more equitable.

The situation is now clear - the international community continues to elaborate development decades, while the more just and more equitable new international economic order remains remote. The persistent world economic crisis has made the economies of the developing countries so fragile that the 1980s have come to be known as "the lost development decade".

That stagnation - not to say that economic and social retrogression - is particularly apparent in the least developed countries. It is to be hoped that the United Nations Conference to be held next September at Paris will help to find appropriate ways and means of ensuring those countries' actual economic recovery.

What I have said is far from being a simplistic vision of the state of the developing world. The exceptions constituted by a few islands of accelerated growth certainly should not make us lose sight of the fact that hundreds of millions of men, women and children are still living in a state of total deprivation. The basic infrastructure of economic growth in many of those countries has been shattered. Indeed, the foundations and mechanisms governing international trade and technology transfer, for example, contain factors within themselves that lead to the developing countries' being squeezed out world affairs. Those factors include a fall in the export earnings of developing countries as a result of the downward trend in commodity prices and the deterioration in the terms of trade; the excessive indebtedness of the developing countries; monetary instability and a policy of high interest rates, with adverse consequences for the borrowing capacity of the developing countries, further

(Mr. Traore, Mali)

leading to the escalation in those countries' indebtedness; and protectionism against products and goods from the developing countries.

The imbalances and distortions that characterize international economic relations mean that the effects of outside economic blows of all kinds become magnified in the developing countries. The effects of such blows on sub-Saharan Africa are clearly demonstrated in the World Bank's recent report, entitled "Sub-Saharan Africa: From Crisis to Sustainable Growth. A Long-term Study." I quote from that report:

"In 1989, the region had 450 million inhabitants - more than twice as many as there were at independence - and a GNP of approximately $150 billion". In Africa, the drop in production in the key sector of agriculture is particularly disturbing in view of its primary importance for the economic growth of the countries of the region.

In order to reverse that trend and to cope with the crisis, several developing countries, with support from the international financial and monetary institutions, have undertaken internal restructuring programmes so as to create better conditions for true economic recovery. To various degrees, they have prepared and implemented structural adjustment programmes. However, we must recognize that in most of those countries the macro-economic objectives have not been met. Moreover, implementation of those programmes has had devastating social consequences because of the resulting increase in unemployment and the drop in resources allocated to such basic sectors as health, education and training.

That is why, after a decade of certainly commendable efforts to adjust and innovate - which have not yet yielded the results that States had a right to expect - the Organization of African Unity and the United Nations Economic Commission for Africa undertook an exercise in reflection and analysis in order to improve those programmes. That exercise led to the preparation and adoption of the

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(Mr. Traore, Mali)

African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation.

At the present time, there is no indication that the international community is willing to call into question the foundations of an economic system that perpetuates the marginalization of three quarters of humankind. The States of Africa, aware of that fact, concluded long ago that they needed a strategy better suited to their own situation and which took account of the need for endogenous and self-sustaining development, relying on the indispensable integration of their economies at the sub-regional and regional levels. It was against that background that the 1980 Lagos Plan of Action and, later, the Priority Programme for African Economic Recovery were prepared.

(Mr. Traore, Mali)

The international community decided to support Africa as it tried to implement that programme within the framework of the United Nations Plan of Action for African Economic Recovery and Development 1986-1990. Owing to the adverse effects in the world economic system, without any decisive commitment on the part of the international community, the implementation of that Plan has proved difficult.

There is little need for me to dwell upon the details of such programmes or on the pressing need to continue to try to implement them. In this connection my delegation views the reaffirmation of the commitments undertaken by Africa and the international community to implement the Plan of Action as of paramount importance. Today more than ever, faced with a threat of marginalization that has grown more serious in the wake of recent world changes, Africa needs from the international community greater commitment and solidarity in implementing the development strategy.

At the present session we will be considering matters of vital importance to giving new impetus to growth and development, particularly in developing countries. That entails, inter alia, accelerating economic growth, making full use of human resources, reducing poverty and dealing with matters pertaining to the protection of the environment.

In that connection my delegation would like to make a few comments we consider essential. First, we must accept the fact that the best strategy for ensuring economic growth will be doomed to failure in developing countries if it is not properly backed up by such related measures as an increase in the flow of resources to finance development, beginning with the reversal of the current trend towards a net transfer of resources from the developing countries; by research and implementation of an agreed mechanism to deal radically with the foreign indebtedness of the developing countries, one that would go beyond the efforts

(Mr. Traore, Mali)

currently being made, which are commendable but inadequate; lastly, by access to new and emerging technologies and the development of research.

Those related measures - and it is not an exhaustive list - will also be useless if they in turn are not co-ordinated with a systematic and accelerated utilization of human resources in the developing countries through dynamic promotion of the social sector. In that connection, health, functional literacy, higher-level training and the improvement of employment conditions require additional resources, more attention and greater energy. The same is true with regard to the strengthening of social well-being and the reduction of poverty in those countries.

In a number of developing countries, particularly in Africa, ecological balances have been disrupted on the one hand by human needs and on the other by the combined effects of drought and desertification. Those scourges have often totally negated the efforts being made by the countries that have been their victims. We cannot continue to remain indifferent in face of that phenomenon, which poses a real challenge to the international community not only at the technical and technological levels but also at the humanitarian level.

As if that were not enough, Africa would have become the planet's refuse heap had it not taken timely and forceful measures against the dumping of toxic wastes on its soil. The apparent abatement of the shocking money-grubbing transactions that were going on in that area should not make us lose sight of the need for greater vigilance, for the stakes involved are enormous.

Following upon the optimism created by the fragile consensus achieved at the forty-fourth session of the General Assembly, it is to be hoped that the 1992 Conference on Environment and Development will come up with satisfactory solutions. For its part, Mali will do whatever it can, for ultimately what we must

(Mr. Traore, Mali)

decide together is whether or not we are going to continue sawing through the tree limb on which we are all sitting.

It has often been said - and with truth - that without peace there can be no development. That is why we welcome recent developments in international affairs that have tended to consolidate international peace and security. That feeling of euphoria, however, should not allow us to forget that the persistence of apartheid and the many hot-beds of tension scattered throughout the world still call for increased vigilance.

The peoples of the world are engaged in a determined struggle to eliminate the existing imbalances in international relations and to come up with a better way of living together in a society more in keeping with the ideals of the Charter we adopted 45 years ago. If we are all inspired with a real determination to focus our actions on seeking the well-being and happiness of all by orienting our thoughts towards a more humane future; if we still believe in the virtues of international solidarity and interdependence among nations; if we have sufficient competence - and we do - to create new frames of reference in keeping with the demands of the new strategy to break the pernicious cycles that have for so long caused such suffering for the developing countries and widened the gap between North and South, between East and West and between men - if we can do all that, then we will achieve the objectives we set for ourselves at the beginning of this session, namely, the strengthening of international co-operation and the revitalization of growth and development in developing countries.

Mr. RIEGLER (Austria): At the outset I would like to congratulate you, Sir, on your election to the presidency of the General Assembly at its eighteenth special session. Furthermore, I would like to join other speakers in welcoming the Republic of Namibia as a new Member of the United Nations. I feel heartened by the

(Mr. Riegler, Austria)

fact that Namibian independence finally came about through peaceful means and that the United Nations played a central role in that process.

This is the first time I am addressing the Assembly, and I do so at a moment of unprecedented economic and political change. In Europe the iron curtain, the Berlin Wall and the minefields that have divided our continent for over 40 years have been torn down and removed. In the new Europe, freedom, democracy and human dignity will be the guiding principles. One-party régimes, centrally planned economies and repressive bureaucracies are becoming past history.

(Mr. Riegler, Austria)

I would be less than frank if I were to state that this exciting and challenging task of building a new European house was not our priority at this very moment. But I have come to New York to be with you at this eighteenth special session of the General Assembly and to tell you that Austria will not forget its friends and partners in the developing countries.

We have common problems and our planet is passing through a period of dramatic growth and change. Uneven development, poverty and rapid population growth are placing unprecedented pressures on our lands, waters, forests and other resources. The challenges we face are of a magnitude and size that make them appear insurmountable. Mankind, however, has proved time and again that, together, we can overcome even the most daunting obstacles. I believe in human strength, ingenuity and creativity. I believe that we are capable of building a common future for the world that is more prosperous, more just and more secure than the world of the present.

We must not let our planet slip into ever-increasing human misery and environmental decay. We are determined to strive for a new era of economic growth in order to reduce the extensive and deepening poverty existing in many of the houses of our common village. If we are to achieve economic well-being, we must base it on policies that sustain and even expand the environmental resource base. This resource base is vital for all our activities and must therefore be maintained and safeguarded at all costs. That means that our economic development cannot continue to achieve its objectives at the expense of our environment. The preservation and protection of the environment is a twin brother of the developmental process.

At the same time, we must recognize how essential economic development is for the achievement of ecological objectives. Poverty has proved to be one of the

(Mr. Rieqler, Austria)

worst polluters. Since we share a common future, we must be ready to assume responsibility for the economic well-beinq of those countries and reqions whose lack of sustainable development not only is becominq a threat to their own survival but is also prone to lead to neqative consequences on a qlobal scale.

If we continue to destroy and pollute our forests, lakes and rivers, if we continue to increase the qreenhouse effect by indiscriminate use of fossil fuels, if we continue to destroy the protective ozone layer, our earth will soon be a wasteland, a place unable to sustain human life, not to speak of the democratic societies to which we adhere.

What is to be done? I believe that the Brundtland report, with its focus on the interdependence between environment and development, provides us with a valuable conceptual framework both for national policies and for measures on the international level. Furthermore, we believe that the upcominq United Nations Conference on Environment and Development, in 1992, should, after careful preparation, deal in a concrete and innovative manner with the complex relationship between man and society on the one hand and our environmental resource systems on the other. We hope that this United Nations Conference will open up new directions and serve as a lonq-term launchinq pad for ecologically sound development, improved multilateral co-operation and the reversal of the diverse processes of environmental deqradation.

Let me now briefly deal with the Austrian approach to the challenqe of development. After the Second World War, when we had to rebuild our country from scratch, we relied on the will power, ingenuity and perseverance of our people. We opted for a market economy as the framework in which these qualities should be brought to bear. We succeeded, and we were able to add a social dimension to our economic model. This socially oriented market economy has proved to be a winner.

(Mr. Rieqler, Austria)

It relies on the principle that economic activity is not an end in itself but serves the welfare of the people. Faced with the challenqe of the cominq millenium, we must take the concept of the socially oriented market economy one step further and add the necessary ecoloqical dimension.

We believe that this eco-social market economy, as we call it, will be the economic system of the future. The basic principle of this innovative approach is that the protection and development of environmental resources is an independent qoal and an important product of human endeavour. It is by the forces of the market and not by rules and commands that this aim will be achieved and the environment safequarded. The eco-social market economy will not be feasible without solidarity and a new partnership. Groups must not be allowed to destroy the environment for the sake of an improved balance-sheet. On the other hand, environmentalists should not indiscriminately oppose new forms of economic activity. We have to strive for common solutions, and to do so out of solidarity with those concerned and out of solidarity with future qenerations.

We need a comprehensive partnership not only at the domestic but also at the international level. To show its solidarity with the developinq countries, Austria will increase the volume and the quality of its development assistance. We are determined to qive more and also to improve the quality of what we qive. We envisaqe increasinq the qrant element in our export credits. We intend to be more riqorous in settinq our development priorities and we shall concentrate our development aid on the least developed countries. We shall channel more funds into education and trainino. We shall attempt to work throuqh qrass-root orqanizations, local non-qovernmental orqanizations and the churches. We shall see to it that our assistance will benefit, to the qreatest extent possible, those people who need it most.

(Mr. Riegler, Austria)

In the face of recurrent human tragedies and disasters in the developing world, especially in Africa, there is talk of aid fatigue on the part of the richer nations. We must not allow this happen. Disregarding human solidarity would be synonymous with ignoring our most fundamental human values and putting our common future at risk. We need a recommitment to those values. We need a strong foundation of common values to build a strong and enduring global partnership. This is also the basic lesson to be drawn from recent events in Europe. Just as we are striving for one peaceful Europe, we have to strive for one peaceful world. As in Europe, a common commitment to democracy, human rights and the rule of law should also serve as a guiding principle on the global level.

In Europe we shall have to develop all-European structures and institutions in order to grow together again after decades of division and confrontation. Globally we already have such structures and organizations. What is lacking, however, is the determination to make the best possible use of them. I am talking in particular about the United Nations system. A major reason for this situation, I believe, is that we are not living up to our common responsibilities. We simply do not practice what we preach. We have to go beyond high-minded resolutions and declarations: we have to seek practical ways and means to translate our common values into common action.

(Mr. Riegler, Austria)

The Conference on Security and Co-operation in Europe (CSCE), which was first convened in 1975, was instrumental in bringing about a true commitment to common values and concepts by agreeing on and implementing an increasing number of specific measures. This was achieved despite military confrontation and ideological rivalry. The spirit of Helsinki has finally prevailed and opened the way towards a better future for all Europeans.

Maybe we can learn a lesson from this example and launch a similar process in the United Nations, a kind of global CSCE. Such a process would have to give substance to our common values by translating them into practice in a very concrete and specific manner. This will require a new approach on a global scale, transcending the confines of purely national interests.

The notion that true security can be achieved only by co-operation, not confrontation, that our survival on this planet will be secured only if we work together, has to be at the core of such a new approach. All Governments have to contribute to this goal, but ultimately - and this is again a lesson drawn from events in Europe - it will be up to the people, each and everyone, to bring it about.

Europe should be ready to assume a major responsibility to promote such a process of global co-operation and integration. Our current concern with Europe is a natural priority. We must finish the agenda of the post-war period, which is finally drawing to a close, while also addressing the new global issues facing us. A united and peaceful Europe will benefit everyone. As Europeans turn away from confrontation and towards co-operation and integration, as they join their individual nations into economic and political union, they will not only offer a model to other regions but also contribute to building a safer and more prosperous world for all.

(Mr. Riegler, Austria)

I do hope that the deliberations and discussions of this special session will be brought to a successful conclusion. In order to achieve this, a commitment to common values as well as a common understanding of possible solutions to tackle the economic, developmental and environmental problems of this last decade of the twentieth century seems necessary. We believe that a clear, balanced and focused final document aimed at revitalizing economic growth and accelerating the development process would be an important step. Such a document should highlight the growing interdependence among States and the necessity for further integration and co-operation, the protection and preservation of our environment, the promotion of human rights, the importance of an open multilateral trading system and improved access to the diverse markets, as well as to science and technology.

The final document should, furthermore, highlight the necessity of a comprehensive social framework to provide the respective populations with education, shelter and health services, the important role of the United Nations system, as well as the requirement of additional financial resources and development aid for developing countries.

Let me conclude by calling upon our friends in Africa, Latin America and Asia to work with us for a better, safer and more prosperous world; a world free of hunger, poverty and fear; a world free of environmental disasters and rich in healthy forests, rivers and lakes; a world, in which our children and the succeeding generations will enjoy living.

Mr. BYAMBASUREN (Mongolia) (interpretation from Russian): The Mongolian delegation was very happy to join in sponsoring the draft resolution on admitting the Republic of Namibia to membership of the United Nations at this special session. We sincerely congratulate the people and Government of Namibia on this historic event, which crowns with success the long and heroic struggle of the Namibian people, under the leadership of the South West Africa People's Organization, for their freedom and self-determination against colonialism and apartheid. That happy result is also the fruit of the tireless efforts of the United Nations and its Secretary-General.

After 10 years we are once again meeting here in a special session of the General Assembly to deal with economic problems. Our common goal is to assess the world economic situation, to work together on new approaches to economic co-operation between States and to the tasks involved in the revitalization of economic growth and development of the developing countries.

The overall picture of how the world economy has developed over the last decade is quite a varied one. Despite the stable economic growth of a number of developed countries, for the overwhelming majority of States in the third world this period has been rightly called "the wasted decade".

It seems to us that making the economic relations between the developed and the developing countries more just is impossible if we are to use the old system. Changes are needed in the model of co-operation between North and South. These relations must be based upon mutually beneficial co-operation designed to establish foundations of effective national economies for the developing countries through the application of science and technology in production, so that they can acquire scientific and technological potential to match their other potentials. Unless

(Mr. Byambasuren, Mongolia)

there is development of independent national scientific and technical potential there can be no question of economic independence and just economic relations.

In establishing a new system of international economic co-operation, the main focus now should undoubtedly be on the problem of settling the foreign indebtedness crisis of the developing countries, which has reached catastrophic proportions. New approaches to this problem have recently emerged. In our view, implementation of President Gorbachev's proposal to establish a world-wide long-term moratorium on debts is very important. Also noteworthy was the initiative of the Philippines for establishing an advisory commission on the problems of indebtedness and development. Our delegation shares the view that the plan of the United States Secretary of the Treasury is basically a step in the right direction towards resolving the debt crisis. Commendable, too, are the efforts made by a number of States to write off or reduce debts and debt servicing for some developing countries. Mongolia supports the mission of a special representative of the Secretary-General to deal with the external-debt problem.

Another urgent problem is to terminate quickly the negative outflow of resources from developing countries to developed countries. One of the specific features of the development of world trade in the 1980s was a significant drop in prices for commodities, which are the main source of export earnings for the majority of the developing countries. In order to help those countries that depend on the export of commodities, effective measures will, in our view, have to be taken to resolve problems in that area of trade.

(Mr. Byambasuren, Mongolia)

Besides raising the prices of commodities, we believe that one effective measure to protect the interests of commodity exporters would be to apply the principle of exchanging raw materials for high technology. The entry into force last year of the agreement on establishing the Common Fund for Commodities was an important step in trying to resolve this problem. Mongolia also advocates strengthening the global system of trade preferences between developing countries, which is one of the main areas of South-South co-operation.

International trade continues to be unfavourably affected by protectionism, including non-tariff barriers. Our delegation believes that the successful conclusion of the Uruguay Round of the trade talks under the General Agreement on Tariffs and Trade (GATT) will be of great importance to changing the current system of international trade, which should become more responsive to the needs of developing countries in the areas of trade and development.

In today's interdependent world, strengthening the principle of multilaterality and enhancing the role of the United Nations are very important as we try to solve the major problems of the world involving the economic security of States.

We welcome the United Nations initiative to help develop managerial skills in the developing countries. Implementation of this initiative will help train highly qualified national managers to deal with the economy and foreign economic activities. This will create conditions favourable for implementing effective national economic policies.

A fundamental change in the economic activities of various States would, we feel, provide a good opportunity for working out a new international consensus on problems of development at this special session of the General Assembly and for adopting a long-term strategy that would take account of the mutual interests of all States without exception. In this way, the session could mark the beginning of

(Mr. Byambasuren, Mongolia)

a resumption of the North-South dialogue on the basis of the Caracas Declaration of the Group of 77 and the Belgrade Declaration of the Non-Aligned Movement. Mongolia welcomes the initiative proposed in Paris last year by the leaders of a number of developing countries, on holding regular summit meetings between developed and developing countries.

Landlocked countries face additional problems. It is generally recognized that not having access to the sea, being far removed from the basic international sea lanes and ports, being isolated from the main world markets and having to spend a great deal on international transport and other objective factors resulting from the geographical situation of landlocked developing countries all have an unfavourable impact on their economic development. In this connection, our delegation feels that the United Nations system must establish a special mechanism to deal with economic problems of landlocked countries.

Protection of the environment from pollution and degradation has recently become another serious issue posing a great danger to all countries and peoples of the world. The Mongolian delegation believes that the 1992 international conference on the environment will provide a new impetus for effective measures to protect the ecosystem of our planet. The right of every human being to a decent environment should be enshrined in the international documents.

Permit me to comment briefly on some of the economic problems facing Mongolia. We are at present in a complex transitional situation characterized by a disruption in the balance between the various spheres of our economy. The conditions of foreign trade have deteriorated badly in the last few years.

Mongolia is currently implementing economic reform. This includes democratization, the establishment of a market system regulated by the State, equality for various forms of ownership and a policy of open economic relations with all countries of the world. Mongolia will be focusing on establishing a

(Mr. Byambasuren, Mongolia)

highly effective national complex that will combine the civilization of our nomadic people with the achievements of their recent industrialization and ensure that the society can develop together with its natural environment.

Our country is trying to broaden its relations with all countries of the world on the basis of universal principles and norms of international relations, irrespective of differences in our social systems. A substantial role can, we feel, be played by attracting foreign capital. Accordingly, our State is improving the legal basis for its foreign economic relations. We recently adopted a law on foreign capital investment. It provides for a favourable tax system, as well as customs and financial mechanisms for encouraging investment and an influx of know-how in the areas of technology, organization and sales.

Because of their geographical proximity and other factors, neighbouring countries in Asia and the Pacific will be playing an important role in our country's foreign economic relations. We are also interested in consolidating our ties with all countries on the basis of the principle of equal rights and mutual benefit. Mongolia is trying to broaden co-operation with international economic organizations at the regional and global levels.

We believe that the vital problems of today's world economic relations can and must be resolved solely through the joint efforts of all countries without exception on the basis of equality and mutual respect for each other's legitimate interests.

In conclusion, we hope that this session will give fresh impetus to broadening the role of the United Nations system in international co-operation to solve the global economic and social problems.

And now I should like to join preceding speakers in congratulating you, Sir, on your unanimous election to the presidency of the General Assembly at its eighteenth special session, devoted to a problem vitally important to the world

(Mr. Byambasuren, Mongolia)

community, especially to the developing countries. Your able leadership of the work of the General Assembly's forty-fourth regular and seventeenth special sessions give us every reason for believing that you will make a worthy contribution to a successful outcome of this special session.

Mr. PICKERING (United States of America): "Sometimes it is necessary to think like an economist". With these words an eminent American politician reminded us that desire cannot substitute for decisions and that faith needs acts to become reality.

It is now almost trite to say that we are at a turning point in history. We are all aware of the sweeping and dramatic change under way in the world. This transformation is not confined to Eastern Europe. It concerns economic revitalization as well as political restructuring. The great overriding theme of this change is that past assertions of superior wisdom on the part of governing elites must now yield to a much more modest vision of the State's purpose and role. As a result, individuals and private groups, operating on their own initiative, are now being allowed appropriate opportunities to propose, create, innovate and lead.

These changes and the trends and forces that have caused them have brought us together at a remarkably decisive moment. By taking heed of recent developments, we can fashion an immensely more productive agenda for sustained economic development for the future. This historic opportunity also creates very special circumstances here at the United Nations. That is the reason for the active and energetic participation of the United States delegation here today.

In the course of this special session, the General Assembly has the opportunity to articulate general themes for international economic co-operation in the 1990s. These themes can help guide the work of the United Nations, and in

(Mr. Pickering, United States)

particular direct the efforts of the Second United Nations Conference on the Least Developed Countries, the preparation of an international development strategy and the proceedings of UNCTAD VIII.

(Mr. Pickering, United States)

The underlying themes of the conceptual framework are already clear:

First, multi-party democracy based on free, periodic and genuine elections;

Second, the rule of law and equal protection of the law, based on respect for human rights and on effective, accessible and just legal systems;

Third, economic activity that respects the right of workers to form and join independent trade unions and that does not involve forced labour or discrimination against workers because of their gender, ethnic origins, religious beliefs or political views;

Fourth, free, open and competitive market economies in which prices are determined by supply and demand;

Fifth, unhindered exchanges of goods and services among individuals and enterprises in both domestic and international markets which include and encourage direct contacts among customers and suppliers;

Sixth, full recognition and protection of the rights of citizens to hold and use private property, including their rights to intellectual property;

Seventh, national economic objectives focused on productivity, rather than simply on production as a purpose in itself;

Eighth, national fiscal and monetary policies that are sound and well conceived;

Ninth, international and domestic practices which support the expansion of free and open trade, the free flow of investment funds and other capital, and the unrestricted ability to transfer capital and profits in terms of convertible currencies.

The course of recent years makes it clear that these ideas remain valid and useful as guides to the future. And it is no coincidence that these ideas in turn are firmly based on and highly responsive to the key concepts of human rights, human diversity and individual human aspirations.

(Mr. Pickering, United States)

For these reasons the United States Government is deeply committed to supporting market-oriented reforms around the world, because such reforms have worked and will continue to work to create sustainable growth and development.

We believe that the major responsibility for successful development rests with the people and Government of each nation. Development depends for the most part on national decisions and domestic efforts, the desire and the ability to implement reforms and other measures needed to promote balanced and stable growth.

The first step in meeting the challenge of revitalizing economic growth and development is for each nation to adopt appropriate economic policies. We know that in many instances the effort to do this will require substantial adjustments and reforms. These changes are in fact fundamental to revitalizing the economies of developing countries and to improving their standards of living. They will also be an increasingly important consideration as developing countries compete world-wide for foreign resources both public and private.

For developing countries struggling with domestic economic and external financial problems, macro-economic reforms - in particular sound fiscal, monetary and exchange-rate policies - remain critical. However, they alone are not sufficient. Policies on the supply side designed to free up rigidities, allow the marketplace to work and boast production are essential to combining adjustment with growth. Policies which liberalize trade, reform labour markets, develop financial markets and privatize Government enterprises allow the private sector to help increase employment and efficiency. Measures which help to mobilize savings, encourage new investment and foster repatriation of flight capital can provide essential new finance to boost and sustain economic growth.

The United States recognizes that national economic policies are not sufficient by themselves. The international economic environment is equally important. In this regard, the developed world has a special responsibility. In

(Mr. Pickering, United States)

particular, the major industrialized countries must promote sustained world growth and expanding trade. In doing so, they must be sensitive to the needs of developing countries and maintain an active partnership in an international economic climate that seeks to achieve mutual benefits by means of reasoned and responsible dialogue.

In both developed and developing countries the task of formulating and adopting appropriate national policies is now more difficult and complex than it used to be. Transnational terrorism and illicit trafficking in narcotics represent negative phenomena that sap economic growth and development. The need to preserve and enhance our increasingly endangered environment imposes its own costs, and constraints. Nations must also address issues related to the transfer of technology, including the protection of copyrights, trademarks and other forms of intellectual property. New and evolving methods for regional political and economic co-operation can help to address all of these problems.

This interwoven fabric of growth and change creates complex concerns that we want to help address. The United States seeks to work with other Governments, both within the United Nations and elsewhere. We recognize that all Governments - most emphatically including our own - are responsible for contributing to sustainable international economic development. We take this responsibility seriously, and we are seeking to fulfil it.

Let me now turn to the issue of external debt.

Our ongoing efforts to address developing countries' debt problems represent an important part of this effort. At the initiative of the United States, the international community recently strengthened its debt strategy to increase the emphasis on debt and debt-service reduction by commercial banks to help meet countries' financing needs. Our ultimate aim is to promote sustained economic growth and development and to foster restored access to private capital markets.

(Mr. Pickering, United States)

The fundamental objectives of the strengthened debt strategy are to revive hope in debtor countries and reinvigorate their commitment to economic reform, to encourage debt and debt-service reduction by commercial banks as a means of providing support for these reform efforts, and to help build confidence in debtor economies, thereby encouraging investment and flight-capital repatriation.

In the context of this approach, creditor Governments have renewed their commitment to support debtor countries' efforts through contributions to the International Monetary Fund and the World Bank, ongoing export finance and relief on bilateral debt obligations through reschedulings by the Paris Club.

Mexico, Chile, the Philippines, Costa Rica, Venezuela and Morocco have already actively pursued the benefits of this strategy. We expect other countries to follow a similar course. The agreements reached to date between debtor countries and commercial banks demonstrate the strategy's flexibility in meeting the needs of a range of debtor countries. They also show clearly its potential to produce substantial benefits, both in reducing debt burdens and breathing life back into debtor economies.

A number of steps have also been taken to help ease the debt burden of the poorest countries which have adopted sound economic reform programmes such as the special Paris Club reschedulings and bilateral debt cancellation programmes. As part of this effort, the United States is in the process of forgiving $850 million in economic assistance loans to 14 Sub-Saharan African countries which are pursuing economic reforms. Finally, resources are now available through the International Development Association to address the commercial bank debt burdens of these countries.

(Mr. Pickering, United States)

We believe that these efforts to address debt problems are yielding real results and that progress will continue to be made. Parallel to our efforts in the debt area, we also continue to rely on our development assistance programme to promote the goals of revitalized growth and development.

(Mr. Pickering, United States)

The record of the United States and other developed countries in providing public and private assistance over an extended period has been significant. We have been the world's largest donor of economic assistance, having given a total of over $212 billion from 1945 to 1988.

The United States development assistance programme has three fundamental goals: first, to contribute to broad-based and sustainable economic growth in developing countries; secondly, to assist in developing human resources, with the emphasis on achieving levels of health and education that allow citizens to contribute to and benefit from economic progress; and, thirdly, to encourage pluralistic values, including the promotion of competition, freedom, and democracy in a nation's social, economic, and political institutions.

In bilateral terms, United States assistance is tailored to the needs and conditions of each particular country, drawing from a large array of practical approaches and specific activities. This is because the universal need for sound economic policies does not provide us with a single, detailed global recipe for development. Neither is success measured by narrow targets formulated on a global basis.

In addition to the regular United States programme for economic assistance, my Government's efforts are supplemented by a range of highly significant measures to help developing economies: the Bilateral Investment Treaty Program, the Caribbean Basin Initiative and the Overseas Private Investment Corporation, to give just a few examples. We are seeking to expand world trade and its benefits for the developing countries through the Uruguay Round. Through our contributions to the International Monetary Fund, the World Bank and regional development banks, we extend our commitment to development assistance, combining forces with other countries around the world to further growth and development.

(Mr. Pickering, United States)

The United States agrees that progress has been neither universal nor complete, despite the number of important success stories in individual countries. However, we believe that it would not be productive for us to continue the development debates of the last three decades.

The advantages of effectively harnessing market forces should be evident to all, as should the benefits of political democracy and free-market economies. The United States is committed to active involvement in the dialogue aimed at advancing these interrelated concepts, and that is the major reason for my delegation's participation here today.

The United States has three practical goals for this special session of the Assembly: first, the special session should address the changes and lessons of the recent past, drawing appropriate conclusions for the immediate future; secondly, it should articulate a set of themes that can guide United Nations efforts to promote economic growth and development in the developing world; and, thirdly, the special session should produce a Declaration that will give useful guidelines for a series of upcoming United Nations conferences related to development.

These themes can serve to encourage and inspire the initiative of free people everywhere. Our goal is accelerated, sustainable development for all countries in the context of a stable world economy. We do not wish to see political and social rights and benefits traded away as part of some magical formula that falsely promises increased material rewards in return. In fact, to advocate such a bargain is fundamentally mistaken. Efforts to derive increased material rewards rarely succeed unless they involve appropriate respect for political and social rights and benefits.

(Mr. Pickering, United States)

We believe that the special session can achieve those goals by soberly reflecting on past experience, by objectively choosing between ideas that work and those that do not, and by putting faith in the ability of people as individuals and members of free societies to order their lives and activities to the mutual benefit of all.

During this week we have been listening carefully to the views of representatives and have benefited from them. This is a world whose national economies are increasingly interlinked. It is a world whose peoples' aspirations are increasingly alike. The question of international economic co-operation and the revitalization of economic growth and development of the developing countries is much too important for ideological confrontation or rhetorical game-playing. Our mutual dedication to economic development is best served if we respect each other's views and seek to work out agreed conclusions based on civility and consensus. That is certainly the goal of my delegation, and I believe it is a common purpose which all of us should share.

The PRESIDENT: The next speaker is the Foreign Minister of my own country, Nigeria. I am sure that representatives will allow me to give him a warm welcome on this, his first appearance at the United Nations.

Mr. LUKMAN (Nigeria): It is a pleasure for me to convey to you, Sir, on behalf of the Government and people of Nigeria, my warmest felicitations on your election to the presidency of the General Assembly at this special session. This is the third time in six months that you have been elected to preside over a special session of the Assembly, and I am particularly pleased that your election to this exalted office coincides this time with my first appearance at the Assembly as the Foreign Minister of our country. I therefore want to seize this opportunity to express the deep appreciation of the Government of Nigeria to the members of the

(Mr. Lukman, Nigeria)

Assembly for the deep confidence they continue to respose in you. May I also pledge to you, Mr. President, the full support and co-operation of the delegation of Nigeria.

The holding of this special session could not have been more timely, coming as it does after a decade when the development process suffered a terrible setback in many countries, and in the midst of momentous changes taking place in certain parts of the world. These recent changes impart particular significance to the deliberations we have just embarked upon. This special session, then, affords us an excellent opportunity not only to reflect on the past decade but also to chart new paths that respond to the many changes and challenges in the world economy.

The Nigerian Government and people attach special significance to this special session, not only because of the important subject it will address, but also because of the opportunity it has provided for the admission of the Republic of Namibia as the one hundred sixtieth Member of the United Nations. Namibia's independence is a historic and unique achievement, and we therefore seize this opportunity to congratulate its Government and people. We are also proud to note that its admission into this world family of nations coincides with Nigeria's presidency of this great Assembly. We take special and justifiable pride in our close involvement with the negotiation process that led to the adoption of Security Council resolution 435 (1978). As a pioneer and active member of the United Nations Council for Namibia and a major contributor to the United Nations Transition Assistance Group (UNTAG), Nigeria is delighted to welcome Namibia to membership in this Organization.

(Mr. Lukman, Nigeria)

As we contemplate the very many challenges that we face in the 1990s, it is vital that we examine the main trends in the evolution and management of the world economy in the 1980s. Identifying those trends and designing appropriate collective international responses to the challenges ahead are the main tasks of the session. In our view, the world economy of the 1980s had many salient features. I would focus on a few:

First, the rapid advances in technology and their application have led to significant transformations in the world economy. Technological progress has eroded traditional notions of comparative advantage in production and trade, globalized financial transactions and accelerated economic interdependence among nations. While nations with strong technological capacities have benefited from the process, others with weak technological bases have suffered.

Secondly, international economic policy co-ordination, because of its narrow orientation - focusing as it does on a few policy issues and involving the participation of a few countries - has not delivered the results that were widely and initially expected from it. It does not come as a surprise that the key players in the co-ordination process have given little or inadequate attention to such commonly identified weaknesses in the present international liquidity to finance economic activities, such as the restricted nature of surveillance by the multilateral financial institutions and the absence of symmetry in the adjustment process.

The issue of lack of symmetry in adjustment by nations deserves special emphasis. The existing international monetary arrangement was founded on the premise that both deficit and surplus countries would adjust, so as to promote sustained growth in the world economy. Today the reality is very different: only certain deficit countries have been required to adjust, while the countries with

(Mr. Lukman, Nigeria)

surpluses, and even some with deficits, operate outside the premise of that requirement. The countries with surpluses have an obligation to reinforce the economic reform process by providing adequate financial resources to underpin the efforts of countries undertaking them.

Thirdly, the conventional notion that sustained growth in the industrialized nations would serve as an engine of growth in the South has not been borne out by the events of the 1980s. The industrialized nations have had about eight years of uninterrupted expansion, yet the economies of the vast majority of the countries in the South have either stagnated or declined. This emerging dual pattern of economic performance is attributable to many factors, prominent among which are the escalating indebtedness, the sharp decline in prices of many commodities, protectionism, the decline in foreign investment, and the net transfer of resources from the developing to the developed nations.

Fourthly, the pervasiveness and depth of decline and stagnation in many developing countries during the 1980s, suggest that, contrary to what is commonly thought, poor domestic economic management is not the main culprit. The fact is that the external shocks of the 1980s have had a most harmful impact on many of our economies. Nigeria's plight is illustrative. Revenue from our oil sales fell from $25 billion in 1980 to $6 billion in 1986, as a result of a sharp fall in oil prices. Our external debt rose from $3.4 billion in 1978 to $30.7 billion in 1988, largely because of a sharp rise in interest rates. The combined effect of these shocks has been a dramatic reduction in the living standards of the people of my country.

Nigeria's plight depicts broadly the economic difficulties faced by African countries. Africa's dismal development performance is reflected in a range of indicators. I should like to illustrate a few. Within the decade, six African

(Mr. Lukman, Nigeria)

countries fell from the middle-income to the low-income category, and at the same time, the number of African countries classified as least developed increased from 17 to 28. Africa's debt rose from approximately $48 billion in 1978 to an estimated $250 billion in 1989, with a phenomenal growth in debt-service obligations. The terms of trade of African countries, especially for primary commodities, on which most African countries depend for their foreign exchange earnings, deteriorated sharply in the past decade. Not surprisingly, Africa's per capita income and consumption levels fell dramatically. Dreary statistics cannot capture the misery and deprivations associated with them. Nonetheless, they convey the magnitude of the challenge.

In Africa and other developing regions, the development challenges are many. The most pressing is the need to promote economic growth. Promoting resumption of recovery in developing countries, particularly those that suffered decline and stagnation in the 1980s, would imply tackling some of the economic problems already identified, which, on present trends, would persist through the first half of this decade. The debt overhang would have to be eliminated, commodity prices stabilized, flows of resources to developing nations increased, and the technological capacity of developing countries improved and strengthened. Progress on these issues is an essential element to sustained development.

The world economy is becoming increasingly interdependent. This implies the indivisibility of the challenges before the world community. In our view we cannot seriously seek to achieve the objectives of revitalizing development, growth and international trade without accepting the responsibility which rests on all countries collectively and individually. The central and fundamental theme of the development dialogue, therefore, should be what can be done at the global level to ensure balanced and accelerated economic growth and development for all,

(Mr. Lukman, Nigeria)

especially in the developing countries. The urgent call for collective action to revitalize and stimulate growth and development in the countries of the South is predicated on the imperatives of our global interdependence. The countries of the South not only constitute a significant portion of the world's population but also represent the "new frontiers" of the global economy. Indeed, stunting the growth and expansion of the economies of those countries would adversely affect the overall performance of the world economy. Conversely, the economic growth and expansion of the South would have far-reaching benefits for the international economic system as a whole. This is the essence of our mutual interdependence. As the Uruguay Round of multilateral trade negotiations draws to a close, it is pertinent for the Assembly especially to address the issue of trade in relation to the developmental needs of the developing countries.

I should now like to turn to two of the most crucial economic issues of today: the debt crisis and poverty, which are particularly acute for African countries south of the Sahara whose external debt burden has impeded meaningful economic development and growth. The region's debt now equals 100 per cent of its gross national product and more than 350 per cent of its total export value. Despite the reform programmes embarked upon by these countries, most of them are still confronted with two major economic problems, namely, the debt-service burden and the large unmanageable debt stock that continue to impede their recovery efforts.

It will be recalled that several relief measures have been proposed in an attempt to find solutions to the debt crisis. These include the Baker plan, the Brady initiative, the United States debt-relief plan for Sub-Saharan African countries and the Toronto option. Welcome as these initiatives are, they contain some aspects which are not adequate for the effective solution of the problem of debt reduction. We believe that debt reduction, especially for heavily indebted

(Mr. Lukman, Nigeria)

countries, remains an essential part of the overall economic measures required to restore growth in developing countries. In addition, it is essential to stress that the unstable nature of international interest rates is of crucial importance in the adoption of any debt strategy.

(Mr. Lukman, Nigeria)

The Toronto plan, as regards the world's debtor nations, may provide a useful first step in addressing the debt problem of sub-Saharan African countries. Nevertheless, it is by no means adequate, as it has been observed in its implementation so far that the resultant debt-reduction impact has been very minimal. Much more, therefore, needs to be done in order to ameliorate the present precarious debt situation in sub-Saharan Africa and to accelerate the pace of its economic development and growth.

I wish to stress that the special session urgently needs to come up with an integrated debt-management strategy capable of promoting growth, substantially reducing the quantum of debt stock and debt service in the indebted countries. My delegation would therefore propose that, first, substantial financial resources be made available to the poor debtor countries in the sub-Saharan African region to enable them to cope with the effects of the drastic fall in commodity prices, the decline in capital flow, and an unmanageable debt-service burden; secondly, that concessional finance be provided for countries facing an insurmountable burden in debt servicing to the World Bank and the International Monetary Fund (IMF); thirdly, that all official debts owed to creditor countries in bilateral transactions qualify for outright cancellation by the creditor countries involved; and, fourthly, regarding debts owed to commercial banks, that an international debt-purchasing agency be set up under the aegis of the IMF and the World Bank to purchase the existing debt of developing countries at a substantial discount of up to 80 per cent.

My delegation also strongly believes that there is a need for additional financial resources to support subregional integration efforts in the developing countries. In my subregion, for example, the Economic Community of West African States (ECOWAS) is making significant progress, and member countries are making critical decisions aimed at increasing intra-African trade, promoting free mobility

(Mr. Lukman, Nigeria)

of the factors of production, and taking advantage of economies of scale. ECOWAS and other subregional economic co-operation efforts in Africa, however, deserve encouragement and concrete support from the international community. In the global race to create large and more integrated markets and economies, Africa must not be allowed to lag behind owing to lack of external support.

Preserving the environment by repairing the cumulative damage to it is one of the major challenges of our time. The goal of environmental protection is, however, best assured in the context of economic growth. The objectives of environmental protection and promotion of growth have to be pursued together through international co-operation. Nigeria believes that international solidarity should be made the hallmark of action by Member States on the question of environment, as well as on the other major development challenges of the 1990s. But if there is one trend that deeply troubles my Government, it is the tendency towards selective solidarity, the idea of singling out one issue for international co-operative endeavour to the exclusion or neglect of other major issues. Selective solidarity, which is the manifestation of a decline in political will on the part of some countries, continues to erode international co-operation by delaying action on a number of issues that are vital to the growth of the developing countries. That explains why, in the face of a worsening economic situation within developing countries, those nations that have the means to help have been either hesitant or less supportive.

That attitude, prevalent for much of the 1980s, stands in sharp contrast to the vision and statesmanship that was displayed at the end of the Second World War. It is true that the developing countries are not emerging from the ravages of a global war. But, for most of them, the dire economic situation they confront deserves the support and sympathy extended to economies ravaged by global wars.

(Mr. Lukman, Nigeria)

Fortunately, we are at a point in history when, perhaps for the first time this century, the prospects for beating swords into ploughshares abound. In this connection, the changes that are occurring in many parts of the world are most welcome. They reinforce peace and furnish a favourable atmosphere for development. But peace, like war, has its own consequences. War spreads misery and deprivation. By contrast, peace spreads hope and prosperity.

The challenges ahead are many, but the consequences of failing to act creatively and collectively would be enormous. Working together, we can again give all mankind hope for development. We, the Member States of this body, can reinforce peace by committing ourselves to promoting prosperity. From this session, we should resolve to pursue individually and collectively policies that foster peace and promote development.

Mr. SOMAVIA (Chile) (interpretation from Spanish): I should like to congratulate you, Sir, on the very able and competent manner in which you have conducted the proceedings in the General Assembly since your election last year.

I bring the General Assembly the greetings of the new democratic Government of Chile. This special session is of great significance to us because it is the first to be held since my country regained its freedom. Chile now has a legitimate Government, headed by Mr. Patricio Aylwin, elected President of the Republic by a majority vote of the people, who thus recovered their right to citizenship and left behind a dark period in the nation's history.

Chile joins in the Assembly's unanimous congratulations to hail the presence here for the first time of the Namibian delegation. The independence of Namibia symbolizes the definitive decline of colonialism. The day when we shall all celebrate here the end of the scourge of apartheid is not far off.

(Mr. Somavia, Chile)

After 16 long years, Chilean democracy returns to the United Nations. During the recent decades, we have lived through a difficult and heartbreaking experience of national discord and division. All Chileans have learned from that experience. Today, we want to construct a future of tolerance, mutual respect and the promotion of the dignity of the individual, guided by a majoritarian desire for truth, justice and national reconciliation.

We Chileans want to leave behind us the divided Chile with double international representation the Assembly knew in the past. We want to face the future with a sense of shared national destiny. We want to make dialogue and rational negotiation a privileged instrument of our democratic identity. We want to make certain that the legacy of authoritarianism does not destroy the democratic opportunities the country has won.

(Mr. Somavia, Chile)

Reaching this day was not easy. There was much suffering along the way - much injustice, much abuse, much arrogance, much impotence and many tears. The guiding thread of our democratic culture had been mislaid. There were tremendous violations of human rights - the disappearance of persons, horrible crimes, exile, torture, the denial of justice, arbitrary arrest and many other overt and covert kinds of actions against the dignity of persons.

I should particularly like to emphasis that throughout all those years the United Nations was always alert to the situation in Chile. There was a widespread feeling that it was impossible to ignore what was happening there. Year after year the authoritarian régime was condemned. Thus, the spirit of struggle and the will to persist of the Chileans who were persecuted by the dictatorship was significantly reinforced. The United Nations played an irreplaceable role in all the internal and external factors that finally led to the triumph of democracy in Chile.

I would recall especially the Centre and Commission for Human Rights, their staff, the various rapporteurs who studied the situation in Chile and the friendly countries that supported the resulting resolutions - I would cite as a symbolic example our sister Republic of Mexico, with which we recently re-established diplomatic relations.

For all those reasons, it is today my duty and my obligation to say here in the General Assembly, solemnly and simply, "Thank you, United Nations. Thank you for never having forgotten Chile. Thank you for having stayed with us to the end. Thank you for your solidarity. What you did here was not done in vain."

The eighteenth special session of the General Assembly is meeting as the post-war era is drawing to a close. It was marked by the ideological and political confrontation between the super-Powers and the frantic increase of their nuclear and military capabilities for mutual dissuasion.

(Mr. Somavia, Chile)

That fact opens enormous possibilities for the future. Perhaps the most significant and encouraging of those is the opportunity to promote a new system of international relations that will not, as in the past, be the result of the military victory of one country or group of countries over others. Today, on the contrary, we can nourish the legitimate hope of developing a new and shared commonsense that reflects the interests of a wide spectrum of international actors, governmental as well as non-governmental. We believe that it would be useful to generate conditions that could enable us to consider the many kinds of insecurity, sometimes old, sometimes new - I would mention drugs and the environment - that exist in the various aspects of today's world. That would contribute to arriving at concepts of security that respond to today's needs and to the needs of the twenty-first century as part of the emerging new international order.

Chile believes that today we are witnessing a growing humanization of politics and a growing dehumanization of the economy. Let me explain. In politics the human being, the dignity of persons and respect for the individual are becoming increasingly important in systems of national coexistence. That evolution can be seen in a dramatic way in the countries of Central and Eastern Europe, but it is also occurring in Latin America, if we compare the end of the 1970s to the beginning of the 1990s, and it can also be observed in diverse experiences in other developing regions, in Namibia, for example, which I have already mentioned.

On the other hand, the economy is being increasingly dehumanized with each day. The human being is more uncertain, more unprotected. There is more unemployment and more poor people in the world than there were 20 years ago. The linear projection of the current situation for all societies, developed and developing, is critical. There is a justifiable search for macroeconomic balance, without which development cannot be achieved. We do not, however, find a similar

(Mr. Somavia, Chile)

concern with regard to the need for major social balances, which are equally necessary for the stability of our societies.

While the world has begun to breathe more easily because the nuclear bomb is under control, a social bomb of unpredictable power and with potentially devastating effects is being developed before our very eyes. The open economy has shown itself to be more effective than a planned economy for dealing with the organization of the process of production, the promotion of entrepreneurial and technological creativity and the increase in international trade, but it runs into serious problems when it tries to respond satisfactorily to the just social demands of our time.

After more than 40 years of cold war, we have at last begun to understand that the security of some countries cannot be achieved on the basis of the insecurity of their adversaries. How many more years must elapse before we realize that the same principle is valid in the economic sphere? The economic security of some countries cannot be based on the insecurity of the others. In our judgement that is the political core of our discussions.

When the countries members of the Movement of Non-Aligned Countries or of the Group of 77 demand significant changes in the current conditions of payment of the foreign debt, when they require measures to stabilize the price of their basic products or when they denounce the various forms of protectionism in the developed world, they do not do so for ideological or rhetorical reasons. On the contrary, practical experience has shown the profound social tension the mechanisms of the international economy pass on to peripheral economies. The behaviour of the world economy must also contribute to strengthening peace - and in our view it is not now doing so.

The fact that some countries succeed in achieving a better adaptation to the rules of the prevailing game, albeit with great suffering for their people, does

(Mr. Somavia, Chile)

not alter the fact that the structural situation places developing countries in a very insecure position. The functioning of the world economy must respond to an ever greater degree to a more human vision in which the old aspiration to greater international social justice progressively becomes a reality. If we want greater justice in international relations we must be prepared to give precedence to those same values within and among our own developing countries. What we do for ourselves and with our own means will inevitably be the yardstick by which the legitimacy of our international demands is measured.

The Government of President Aylwin intends to maintain an open economy, emphasize exports, stimulate national and foreign investment and guarantee stable regulations, such as those already in effect. At the same time, however, it has the unavoidable commitment to improve the deteriorated conditions in which an enormous number of Chileans live.

We believe it is possible to attempt to achieve a better synthesis between an open market economy and significant social development. We also have a firm commitment to economic stability. The maintenance of inflation at a low level is the first decision of the economic policy adopted by the Government. The second is the maintenance of a balanced fiscal budget. The third, a consequence of the preceding, is the gradualness of the social effort. Its speed and intensity will be subject to the financing of the new social expenditures, either through taxes or through economic growth.

As proof of that, it is worth noting the agreement in principle reached between the Government and the present opposition in Chile. That agreement provided for the increase of a set of taxes to free the resources needed for initiating an intensive social policy based on our own means. Chile has inherited a very heavy social debt in the fields of health, housing, education and other

(Mr. Somavia, Chile)

related areas. The agreement, which will be shortly completed in the Parliament, represents annual revenues of approximately $550 million, or almost 2 per cent of the annual gross national product.

(Mr. Somavia, Chile)

At the same time, we express our gratitude for the continued desire manifested abroad to assist in the stabilization of the democratic transition in Chile, through international co-operation. For some time now there have been conversations and a selection of projects which could be immediately initiated once the democratic authorities take up their functions. I am pleased to say that we have already concluded co-operation agreements with the Federal Republic of Germany, Denmark, France, the Netherlands, Italy, Sweden, Spain and Norway. We wish to thank those countries here in the Assembly for what they are doing to help Chile. This reflects the political and practical solidarity with the democratic struggle that existed during the years of the dictatorship.

Chile's return to democracy must also be guided by our determination to reinsert ourselves into the processes of co-operation and integration being carried out in Latin America. These processes are much more viable today when we consider that the political and economic philosophies of our countries today are much more compatible than they were in past decades.

I shall conclude by stating that it is obvious that the United Nations is demonstrating in an extraordinary manner the Organization's usefulness in dealing with the solution of political problems, both international and internal. This is so because the Member countries are increasingly requesting United Nations intervention in matters that previously had not been submitted to it. This situation reflects the changes in the world situation and also, and very particularly, the efficiency and sensitivity of the Secretary-General, Mr. Javier Perez de Cuellar, in placing the Organization at the service of contemporary history. He deserves our deepest gratitude. It is important that the United Nations shoulder its responsibilities in other areas as well.

(Mr. Somavia, Chile)

Finally, Chile believes in the values of humanism as a basic inspiration for dialogue and international relations. We believe that the great universal task of the moment is to consolidate and expand freedom, with full acknowledgement of history and the culture we all possess. We demand respect for the dignity of persons and of nations. We should like to see a world at peace, a world where the security of its human beings is as important as the security of its nations.

Mr. LIPATOV (Ukrainian Soviet Socialist Republic) (interpretation from Russian): First, I should like most warmly to welcome you, Sir, to the presidency of this special session of the General Assembly and to wish you all success as you guide our work here.

My delegation also warmly congratulates and welcomes the Republic of Namibia, which has now been admitted to membership of the United Nations. It is good to see that the heroic people of Namibia have finally won their long-awaited independence. We sincerely wish them every success in all their undertakings.

This special session of the General Assembly has been convened at a particularly important, indeed crucial, period of world development. The documents of the special session and the statements made by delegations show that the world community is becoming increasingly aware that future economic and social developments will take place in conditions of the growing interdependence and oneness of the world.

The present political situation provides favourable pre-conditions for moving ahead in solving the economic problems of the world today. We have already moved somewhat down the road towards the removal of a potential nuclear threat. The conditions now exist for settling regional conflicts. We are establishing an atmosphere of shared responsibility in taking up the global challenges to the human race. Distrust and confrontation are yielding pride of place to dialogue,

(Mr. Lipatov, Ukrainian SSR)

co-operation and joint action. But, at the same time, we have to recognize that the development of international economic relations is lagging behind today's political realities. From decade to decade we continue to see unequal economic growth as well as a slowing down of growth. This is felt particularly acutely in the developing countries. In many regions the standard of living of the people at the beginning of this decade is no higher than it was in 1980. Technological backwardness has resulted in the inability of many countries to become more competitive or to integrate themselves into the world economy. Another matter of growing concern to the world community is the threat to the physical environment of mankind. One of the most serious problems facing the participants in world economic relations is still the problem of external indebtedness.*

It is our delegation's view that finding a solution to these and many other world economic problems requires a qualitatively new shift forward in the development of international co-operation, adapting it to the new global realities. In this connection, we place great hopes in this special session of the General Assembly.

We believe that, on the basis of an all-round, comprehensive analysis of the relevant problems of the world economy, such as underdevelopment, external indebtedness, trade, reform of the monetary and financial system, transfer of technology and preservation of the environment, this special session must work out, on a consensus basis, political recommendations to provide guidance to Governments and specialized international organizations on how to achieve agreed action to solve these problems. The final documents of the special session must become political guidelines for the preparation of an international development strategy

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* Mr. Makarczyk (Poland), Vice-President, took the Chair.

(Mr. Lipatov, Ukrainian SSR)

for the 1990s and must define the directions for the work of such important international forums as the United Nations Conference on the Least Developed Countries and the United Nations Conference on Environment and Development. The special session must also take account, from the standpoint of the future development of the world community, of the political, social and economic changes taking place in the countries of Eastern Europe and the aspirations of these countries to adopt radical measures to integrate themselves into the world economy. The Ukrainian SSR, as one member of that group of countries, feels that solving the problem of swift structural adaptation to the prevalent conditions of interrelatedness is an integral part of ensuring the effective functioning of the world economy as a whole. We believe that Eastern Europe, economically renewed and integrated into the world economic process, will become a prospective trading partner for one and all and, for the developing countries, in addition a source of financial resources and technology.

And so our delegation views the goals and tasks of this special session from the standpoint of world economic development as a whole, and also through the prism of the processes now under way beneath the roof of our own home.

The economic development of the Ukrainian SSR has in recent years been characterized by the social reorientation of our economy - restructuring, putting to use scientific and technological achievements, and increasing material output.

(Mr. Lipatov, Ukrainian SSR)

There is now a growing trend in which the output of consumer goods is gaining ground over the output of the means of production. At the same time, the process of renewal in the social and economic life of our Republic still contains contradictions. We have not yet been able to halt negative processes, the imbalance in the economy and the consumer market and unjustified price increases. We still have acute problems in providing our people with food and housing. The old ideas about unlimited and inexhaustible natural resources and the inadequacies in the development and distribution of the productive forces of our Republic led to a situation in which the Ukrainian SSR continued for decades to place an enormous burden on the environment.

It should be noted that the economy of the Ukrainian SSR has begun slowly but surely shifting away from the policy followed for many decades during which we focused on ores, metals and coal. Giving due regard to restructuring in the interest of ecologically safe economic development, new guidelines have been selected, so as to make industry produce more technology-intensive goods and more precision machinery and instruments. Priority is being given to increasing the output of consumer goods. Efforts are being made to broaden participation in the international division of labour and international co-operation.

Taking advantage of its capabilities, the Ukrainian SSR is participating in providing assistance to developing countries in various ways. Thousands of specialists from our Republic are working in construction and reconstruction of various economic projects in the developing countries, and citizens from the countries of Asia, Africa and Latin America are studying at Ukrainian higher educational establishments. The Ukrainian SSR participates in multilateral assistance programmes through the United Nations system. There are permanent seminars and workshops of the United Nations Industrial Development Organization (UNIDO) held in our Republic - on electrical welding at Kiev and on metallurgy at

(Mr. Lipatov, Ukrainian SSR)

Zaporozhe. The Ukrainian SSR intends to continue doing what it can to help the developing countries and to make its contribution to the solution of development problems.

The Ukrainian SSR takes great interest in the activities of the United Nations and the specialized agencies in the area of environmental protection. As the Republic that bore the full brunt of the consequences of the accident at the Chernobyl nuclear power station, we are deeply interested in broadening and intensifying international co-operation in studying, and taking practical measures to lessen, the impact of radiation on the health of mankind and on the environment. As everyone knows, the Chernobyl accident was, in magnitude and consequences, one of the worst in the history of nuclear power generation anywhere in the world. Through the efforts of the Governments of the Soviet Union and the Ukrainian SSR, a great deal of priority work has been done over the last four years to eliminate the consequences of that accident. We are grateful for the help received from a number of international organizations and the world public. However, the situation is still a difficult one and a cause of concern to us. The adverse effects on the health of people and on the environment were much more serious and long-lasting than had been assumed. Accordingly, the Government of our Republic is drafting a comprehensive programme to eliminate the consequences of the accident for the period up to the year 2000, which will require the expenditure of billions of roubles.

In solving these vitally important problems, the Government of our Republic hopes to obtain assistance from the international community. In a recent message from the Council of Ministers of the Ukrainian SSR to foreign Governments, the public in foreign countries and international organizations, we emphasized that the joint efforts of scientists and specialists from different countries and the use of the latest scientific and engineering developments would do much to protect people

(Mr. Lipatov, Ukrainian SSR)

and the environment from the consequences of the Chernobyl accident. We are firmly convinced that such co-operation will be in the interests of mankind as a whole, and we hope that the organizations of the United Nations system will make their contributions.

The Ukrainian SSR, in preparing the path for a thorough overhaul of its economy, is becoming aware of the need to make radical structural changes. The implementation of these changes is a new task for our Republic and requires considerable expenditures and new approaches. In tackling this work, we should like to utilize inter alia the experience of the world community because, as we see it, the tasks facing our Republic are similar in many ways to the general trends of economic development in many countries of the world community. That is why we think it would be desirable at this special session to strengthen the principle of the universality of the tasks of adapting national economies to the world economy, with due regard for the specific characteristics of each individual country. Such adaptation requires a combination of internal efforts and external assistance. Therefore, in the economic policy of States, it is necessary to preserve the principle of harmonizing national and international factors, on the understanding that each country will remain free to choose its own socio-political system and its own model of economic development.

An important condition for integrating individual national economies into the world economic system is, we believe, the economic openness of States. By "economic openness" we mean the establishment of conditions in which it will be possible to have the broadest exchange of information relating to socio-economic development indicators and a simplification of procedures for gaining access to markets and technologies, as well as of the systems governing the flow of capital, goods, services and workers. We hope that this special session will support the idea of proclaiming the principle of economic openness and will give the necessary

(Mr. Lipatov, Ukrainian SSR)

impetus to the United Nations and the specialized agencies to formulate provisions which would help to give concrete content to this principle.

It is well known that many international economic and scientific organizations within the United Nations system are engaged in working out international standards, norms and rules in specific areas of socio-economic activities. We greatly appreciate this activity of the United Nations system, for we feel it is an important element in the overall movement towards integrating national economies into the global world economy. However, we feel that the speed and scope of this growing interdependence in the world economy require that the work should be expedited. For this session, it would be desirable for the special session to draw the attention of the relevant bodies and organizations in the United Nations system to the need for more intensive work on developing such norms, standards and rules in each one's area of competence.

The Ukrainian delegation supports the activities the United Nations Secretariat has begun in identifying potential problems in the world economy. We believe that at a time when the area of economic co-operation between States is expanding, such activities should increasingly take on the nature of regular forecasts. The relevant bodies of the United Nations should be oriented towards working out recommendations for eliminating the economic causes of potential socio-economic crises and for implementing economic preventive measures to prevent any exacerbation of regional conflicts or international tension.

Our view of the future economic activities of the United Nations leads us to believe that the structure of intergovernmental and Secretariat bodies in the socio-economic sector of the United Nations and the specialized agencies should adapt to the new demands of today's global economic processes. Such restructuring must enhance professionalism in the bodies of the system, make programmes more

(Mr. Lipatov, Ukrainian SSR)

purposeful and objective, rationalize structures and strengthen the principle of consensus in trying to resolve the key problems of global development.

In expressing the hope that this special session of the General Assembly will be an important milestone towards improving international economic relations for the good of all countries and peoples, the Ukrainian delegation wishes, in conclusion, to assure you, Mr. President, and all participants in this important international forum that we are willing to co-operate constructively with all delegations, in achieving our goals.

Mr. MOGAE (Botswana): It is a pleasure for me to address this meeting.

This conference comes at a time when major economic and political changes are taking place throughout the world.

In southern Africa these winds of change have brought with them the long-delayed independence of Namibia, whose accession to United Nations membership we have this week witnessed and celebrated. As everyone is aware, the independence of Namibia came about mainly as a result of the gallant struggle of the Namibian patriots, led by the South West Africa People's Organization (SWAPO). The international community through the United Nations also played a vital role in the liberation of Namibia since the adoption of Security Council resolution 435 (1978). We warmly congratulate the United Nations which, through the United Nations Transition Assistance Group (UNTAG), successfully supervised the elections that led to the independence of Namibia. We are hopeful that the United Nations will increase its support to Namibia to ensure that the formidable development challenges facing that new-born country are met. We urge the international community at large to put in place a special assistance programme for Namibia.

There are encouraging signs that the long-oppressed people of South Africa will be freed from the yoke of apartheid. Recent developments, such as the unbanning of political organizations and the freeing of political prisoners, including Nelson Mandela, point in this direction. However, there are still obstacles that impede the start of negotiations. We therefore call upon the South African authorities to remove these impediments so that negotiations can start.

We keenly await the democratization of South Africa and its entry into the Southern African Development Co-ordination Conference (SADCC) and other international bodies.

The SADCC region, like the rest of sub-Saharan Africa, has been experiencing a deepening economic crisis for most of the 1980s. Low agricultural production and

(Mr. Mogae, Botswana)

productivity against high population growth rates; declining levels and low efficiency of investment, with industrial capacity utilization as low as 25 per cent in many cases; poor export performance; the debt burden; serious foreign exchange shortages; serious institutional and policy weaknesses and failures; deteriorating social services and quality of life, and serious environmental degradation have characterized the crisis. The hostile economic environment, South African destabilization and military aggression, and natural calamities - such as drought - have compounded the situation.

As a result, most SADCC economies experienced negative growth in gross domestic product per capita for most of the decade. Furthermore, new investments, both local and foreign, virtually dried up and official development assistance in real terms is the lowest in two decades. This poor performance has led to very serious socio-economic problems. There is an alarming and growing unemployment problem, in particular among the young. The population of the urban areas is continuing to swell as the young are drifting from the rural areas seeking non-existent employment opportunities in the cities and towns. All these developments spell serious danger for the social and political stability of our member States. Concerted measures, not only to reverse the economic decline but also to create a basis for meaningful, sustainable and people-based economic development, are therefore of the utmost urgency.

In 1987 SADCC exports and imports were estimated at $7.2 billion and $6.6 billion respectively, which represented a slight improvement in the trade balance of $0.6 billion. That situation reflected both some improvement in commodity prices and massive import repression. However, despite this development in the balance of trade, SADCC countries incurred an aggregate current account deficit of some $13.6 billion. This large deficit was attributable to outflows on the invisible account, primarily debt repayments.

(Mr. Mogae, Botswana)

SADCC member States have responded to the crisis by instituting policy reforms, which have resulted in an improvement in our economic performance, as represented by an average gross domestic product growth of 4.5 per cent in 1989. These reforms have focused mainly on public finance and monetary policy.

As progress was achieved in the infrastructure and services sectors, and also in order to address the fundamental economic structural problems, SADCC shifted emphasis to the issues of investment in production. In this effort SADCC enlisted the assistance of the local and foreign business communities to identify the constraints to investment in the region. Hence the last three SADCC Annual Consultative Conferences, two conferences of businessmen and numerous smaller meetings with the representatives of the region's business community have been devoted to this subject. The message that came out of these consultations was that the region had to improve its overall investment climate in such a way that the investor would feel both welcome and confident. We will leave no stone unturned in our efforts to encourage investment in our region. Studies and investigations planned or under way involve the formulation of guidelines for one-stop service investment offices, the harmonization of investment codes and ways of facilitating travel, including business travel, in the region.

SADCC continues to call for investment in the productive sectors of our economies by both foreign and local investors. Our doors are open; we are waiting for investors to come in. We believe that we will be able to eliminate poverty within our midst only if we have a vibrant and resilient enterprise sector. The theme of our 1989 Annual Consultative Conference, namely, "The Productive Sectors - Engine of Growth and Development", will permeate the preparation of our development co-operation programmes during the 1990s and beyond.

Our primary goal in the agricultural and natural resources sector is to achieve food security at the household, national and regional levels. Food

(Mr. Moqae, Botswana)

security is defined as ensuring that all members of the household, nation or region have access to an adequate diet to lead an active and normal life. Its two essential elements are food availability through expanded production, storage and trade and the ability of all people to acquire an adequate diet.

Since poverty is a key cause of household food insecurity, expanding food production and the achievement of national food self-sufficiency will not automatically end food insecurity. Therefore, income and employment generating projects in rural areas are essential components of increased national food security.

Regarding external debt, our efforts to prime our economies will be to no avail unless the international community can take bold steps to address the problem of external indebtedness which has severely affected our development efforts. Our countries have been forced to divert their meagre foreign exchange earnings from financing essential development projects to servicing debt. As a result it is difficult to implement economic reforms that would engender self-sustaining growth and recovery. It is no wonder therefore that the living standards of our people are continuing to fall; unemployment is increasing at a very fast rate, and our credit worthiness has been seriously eroded. We are fully convinced that the time for action is now.

(Mr. Moqae, Botswana)

The external debt of the SADCC countries has been growing at an alarming rate. The external debt for the whole region was $13.1 billion in 1984. This grew to $19.8 billion by the end of 1986. The level and intensity of the problem varies from country to country. Three of our member States are classified as "debt distressed countries" - that is, their scheduled debt-repayments obligations are higher than 30 per cent of their annual foreign exchange earnings. These countries have accumulated large payment arrears. Three other member States are classified as "debt serious countries" - that is, their scheduled debt repayments are more than 20 per cent of their foreign exchange earnings, but below 30 per cent. Some of these countries are having problems in meeting their debt obligations. The remaining three founding member States are classified as "debt manageable countries" - that is, their scheduled debt repayments are below 20 per cent of their foreign exchange earnings.

Namibia, which has just joined SADCC, has been left with a huge external debt incurred by the colonial ruler. We urge countries owed money by Namibia to convert the loans into grants to enable Namibia to start its development process with a clean slate.

Although solutions of the problem are dependent on the nature and extent of the debt, all SADCC countries are committed to adopting measures aimed at seriously addressing this problem. It is our hope that our creditors will respond in kind and reciprocate our actions.

Turning to the environment, we in the SADCC region strongly believe that our economic development programmes should be designed in such a way that they promote development that is sustainable not only in the short term but also in the medium and longer term. This will ensure that improvement of the living standards of the present generation will not be at the expense of future generations. Achievement of that noble objective is, however, not easy for poor countries such as ours.

(Mr. Mogae, Botswana)

We are well aware that poverty is a major contributor to environmental degradation. Poor people are compelled by the need for survival to cut down trees indiscriminately for use as sources of energy and for building materials and for sale to earn an income. Poverty, coupled with a lack of access to modern farming technologies, leads to inefficient use of the land, resulting in soil erosion, desertification and overgrazing. Pollution of groundwater resources around major settlements is a result of lack of adequate sanitation facilities. These problems are compounded by rapid population growth rates which are not commensurate with the capacity of our economies to provide the necessary social services. During the 1990s our countries will give emphasis to the development and implementation of appropriate population policies.

We believe it is quite fitting that this special session is giving prominence to the question of the development of human resources. Needless to say, the greatest asset and potential source of wealth for any country is its people. Currently the shortage of trained manpower remains one of the foremost constraints to the realization of SADCC's objectives. This problem therefore needs to be addressed urgently and effectively.

The shortage of management skills in both public and private sectors in our region has reached crisis proportions. This has led to declining productivity, which has in turn contributed to the current economic crisis.

Skills development is an expensive pursuit. Capital development of institutions of training - that is, equipping and staffing them - is generally beyond the means of most of our countries. This is therefore an area in which we shall continue to require the active support of the international community; for example, the technologically developed countries should be willing to transfer technology to us at affordable and reasonable prices.

(Mr. Mogae, Botswana)

In conclusion I should like to thank the international community for the assistance rendered to SADCC during its first decade of existence. I call upon it to maintain and increase the level of assistance since we have a long way to go in the struggle for economic development.

My fervent hope is that the outcome of this special session will not be just a well written declaration but will lead to concrete actions especially in relation to the following: solution of the debt problem; increasing concessionary financial resources to the least developed countries; increasing the level of official development assistance; reduction of protectionism; tackling environmental degradation; and increasing resources for human capital development.

Mr. SOMOGYI (Hungary): At the outset I should like to congratulate the representatives of Namibia upon their country's admission to the United Nations as its 160th Member State. We are particularly happy to see this very important development, because, having supported the just struggle of the Namibian people for decades, we had the privilege of directly contributing, through our participation in activities of the United Nations Transition Assistance Group, to the full implementation of Security Council resolution 435 (1978) aimed at the declaration of an independent sovereign State, the Republic of Namibia.

This is the fourth time the General Assembly has been convened for a special session to devote its attention to world economic issues. This session takes place at a time when we are witnesses to major international developments that have a decisive impact on the immediate and medium-term prospects of the world economy. The delegations of States Members of the United Nations have assembled here to commit themselves to work in unison towards a better future for the peoples of the world and to assign a central role to the United Nations in the process of creating global conditions conducive to sustained and sustainable development, without which there cannot be peace, prosperity and well-being for all on our planet Earth.

(Mr. Somogyi, Hungary)

International economic relations have changed considerably in recent years. Changes in global production structures, shifts in the most dynamic sectors of economy and the emergence of the human element as the most important factor of economic growth are coupled with the accelerating process of regional integration in Europe, North America and the Pacific, reforms and substantial transformations in Eastern and Central Europe, as well as in the Soviet Union, and the increasing diversity in the growth patterns of the developing countries will result in new international economic structures that will pose unprecedented challenges to Governments, international organizations and non-governmental actors of the world economy. In today's world of growing interdependence, well considered and co-ordinated adjustment will be an inevitable necessity at both national and international levels.

The substantial political and economic developments taking place in Eastern and Central Europe and in the Soviet Union have brought about considerable progress in dismantling the almighty system of central economic planning and the monopoly of obsolete political power, although the results thus far achieved vary significantly in the respective countries of the region. The unfolding process of transition to market economies, as well as the ensuing democratization, will definitely have a positive impact on world-wide economic co-operation, which is one of the major topics of our deliberations.

First of all, the new non-confrontational foreign policy pursued by most of these nations as an integral part of their new endeavours will hopefully foster the incremental irrelevance of the East-West conflict and the gradual settlement of regional crises often fomented by bipolar confrontation will release not insignificant funds for development and the management of a rapidly deteriorating global environment.

(Mr. Somogyi, Hungary)

In a world beyond bipolarity, international institutions will finally cease to be the forums of ideology-driven inter-bloc confrontation. Instead these global institutions may now have a reasonable chance to carry out the tasks they were devised for: to provide norms, rules and instruments for facilitating international co-operation and conflict management.

In addition, it is an undisputed fact that sound national policies indeed play a central role in overall world economic development. The persistent shift to market economies in many countries of Eastern and Central Europe is supposed not only to prevent further marginalization of these economies, but also to expand the gains accruing from an enhanced multilateral trading and financial system, to the benefit of all parts of the world economy.

Finally, if and where changes in Eastern and Central Europe go beyond the threshold in the process of changing the system, institutional and structural incompatibilities, which have thus far hindered their normal trading and financial relations more than any policy-induced constraints, will be removed, thus releasing new potentials for overall development, too.

Hungary is firmly committed to completing the process of changing its systems in a comprehensive way. The peaceful, though not at all easy, dismantling of totalitarian political rule has most recently culminated in the first free, genuinely democratic, multiparty elections held in our country in more than 40 years. But there is still a long way to go. The new coalition Government to be formed soon will, as will its responsible parliamentary opposition, face unique, unprecedented challenges, especially in the field of the economy, since there are unfortunately no proven ways of transition from command-type central planning to a market economy. Nevertheless, the inherent risks and difficulties notwithstanding, there is a broad consensus in Hungary that the country's future rests on a consistent liberalization of the economy, on the redirection of State-sector

(Mr. Somogyi, Hungary)

activities towards the provision of public services and on an overwhelming preference for private initiative.

The transition to the market economy will have to proceed in the midst of a major economic crisis inherently fraught with the risk of social unrest. Crisis is not an accidental concomitant of this transition process, but the sad legacy of an earlier political and economic system.

At this historical turn, there are three major dimensions of change in Hungary which are organically interlinked. One is the unavoidable changes in the entire economic system, such as privatization through the mobilization of domestic savings as well as foreign capital inflows and the introduction of currency convertibility. Another lies in the tasks of immediate crisis management, which include the necessity of devising innovative approaches to Hungary's external debt problem without discouraging new voluntary lending. The third dimension of change is a diversification and consequent reorientation of Hungary's external trade, economic and financial links, including the establishment of new types of relations with groups of nations that used to be denominated in an earlier era as East, South and West. The development of this latter dimension has been most spectacular in recent months.

Due to a great number of factors which I need not elaborate here, the external political and economic environment has become a major source of encouragement for us.

The leitmotif of these new types of relationship will imply full acceptance of the norms and principles that should enhance the functioning of a liberal, yet development- and environment-conscious, multilateral economic system. It is in this spirit that we intend to transform our economic relations with the countries in the Council for Mutual Economic Assistance (CMEA) region on the basis of equality and mutual benefits. Efforts aimed at radically and essentially rebuilding the

(Mr. Somogyi, Hungary)

East European institutions are meant to provide for an adequate framework of a truly multilateral co-operation, with world market standard reciprocity replacing mutual assistance.

We shall do our utmost to become an integral part of an emerging European economic area. Being aware of the fundamental role the European Community is to play in this regard, we attach paramount importance to, and follow with sympathy, the efforts aimed at deepening the process of integration. Yet we find it to be of eminent significance for Europe that this process be devised and implemented in a way that pays due consideration to the transitory status of Hungary and other Eastern and Central European economies. Thus we hope Hungary will turn into an attractive, reliable, prospective trade and investment partner for the industrialized countries of Europe, North America and the Pacific, especially if it is given emphatic understanding and meaningful assistance in the current transitional state of its political and economic development.

Let me emphasize here, too, the paramount importance - not only for the region, but for the entire world - of the Bonn Conference of the Conference on Security and Co-operation in Europe (CSCE), which has opened up new vistas in economic, scientific, technological and environmental co-operation in Europe and North America. It is a welcome development that the Bonn meeting lacked even the shadow of past East-West confrontation, animosity and distrust. The forward-oriented Document adopted there radiates a spirit that helps create conditions for overcoming the unnatural division of Europe and paves the way for converging the economic systems of our continent, on the basis of the principles of market and private initiatives. This process is a most important pre-condition of creating a new Europe as well as realizing the lofty goals of this world Organization.

(Mr. Somogyi, Hungary)

In accordance with its coherent economic policy, Hungary intends to contribute through its domestic changes as well as its redefined activity in international economic co-operation, including the multilateral institutions, to the emergence of a world economic system which is actively supportive of the goals of sustainable global development. In this spirit we do not deny the validity of the 0.7 per cent target of the official development assistance régime as a widely respected international norm, but we hold that it should be approached by all countries with due provision for differences in stages and levels of development, which have, indeed, a decisive impact on the very status of every country in this regard. In spite of its transitional status, and the inevitable constraints associated with that, Hungary will do its best to provide, on humanitarian grounds, concessional, emergency assistance to the neediest.

But, emergency cases notwithstanding, the governing principle of Hungary's expanding economic relations with developing countries will be the norm of far-sighted mutual advantage.

We are aware of the concern expressed by some developing countries about the alleged trade- and aid-diverting effects of the Central and Eastern European developments. It is also suggested sometimes that critical issues of global development pursued by developing countries at various international forums will in the future enjoy less support by the countries of the Central and Eastern European region than in earlier periods. It is my Government's firm belief that those concerns are unwarranted. For one thing, the assistance by industralized countries to enhance market-oriented change and adjustment in less developed parts of the world is of an expanding rather than of a constant scale, with geographical proximities and historical ties preserving some importance for all donor countries in spite of the tendency to internationalization and global interdependence. For another, the envisaged co-operation between East European countries and the

(Mr. Somogyi, Hungary)

countries of the developing world fostered by common interests will enhance the cause of development more effectively than the previous practice of merely holding out an alternative political economic model of development, whose failure is now obvious.

(Mr. Somogyi, Hungary)

Let me conclude by emphasizing our expectation that this special session of the General Assembly will be able to chart a new, more realistic course in international economic relations based on mutual interests, solidarity with the neediest, and common understanding of the most pressing problems of today's world economy. We must not lost sight of the fact that comprehensive action programmes, short of the necessary means to implement them, will not contribute to achieve this lofty goal. That is why my delegation would like to join a consensus document containing a commitment by Governments to work together towards a better harmonization of national actions in order to provide guidelines for various United Nations bodies involved in devising the necessary steps to attain our common objectives.

Mr. SHAMUYARIRA (Zimbabwe): On behalf of the Government and the people of Zimbabwe, we congratulate the sister Republic of Namibia upon its admission as the 160th Member of the United Nations. For us in Africa, and in particular for us from the southern region of that continent, we welcome Namibia in our midst and eagerly look forward to working closely with its representatives in this and many other forums. We wish to recognize and commend the United Nations and the Secretary-General, Mr. Perez de Cuellar, for their extremely important and sustained work in support of the gallant people of Namibia to make this day a reality. It was not easy to mount the United Nations Transition Assistance Group (UNTAG), the operation that brought about the implementation of Security Council resolution 435 (1978), but with clear determination and tenacity of purpose, they were able to do so. We commend them for that effort.

A major impediment and constraint to developing countries' participation in the present capitalist dominated system has been the relative weakness of our economies and political power. This has largely been the cause and effect of our generally poor economic performance. This vicious circle ought to be broken, in

(Mr. Shamuyarira, Zimbabwe)

our view, by seeking to improve the national economies of individual countries, as well as to join them in promoting the collective self-reliance of developing countries as a whole. The promotion of collective self-reliance among developing countries would vastly increase the economic base of our countries. It would further increase the viability of our individual national economies and our capability to increase our trade with developed countries. We, as developing countries, should increase our trade with each other. In the face of rising protectionist sentiments and tendencies in the developed countries, we do provide each other with potential alternative markets. The recent and continuing fall in the prices of primary commodities has brought down our export earnings. We need to engage in collaborative efforts through effective and deliberate programmes of South-South co-operation in the context of what I have described as collective self-reliance.

The establishment of large economic blocs in Europe and North America, which have been referred to, and the integration of Eastern European countries into the capitalist economic system, are developments whose consequences and implications have yet to be fully comprehended, but the implications are obviously very wide and far reaching. One aspect that has been referred to by other speakers is the reduction of aid flows to the countries of the South, while increasing foreign investment and aid to Eastern Europe. Another aspect is the obvious one of establishing larger markets for manufactured goods in the so-called European home in Europe and the Americas, again at the expense of the South, especially Africa and Latin America. These trends are quite obvious and have been documented in many publications recently, more importantly in the South-South publications coming out of Geneva.

Although it is difficult at this point in time to provide a clear prognosis of the future, there is no denying that difficult times lie ahead of us. Consequently,

(Mr. Shamuyarira, Zimbabwe)

this special session should, in our view, propose concrete measures to restore growth and development to the developing countries. Those measures should have a built-in mechanism for review and implementation. One such mechanism would be a requirement that the Secretary-General set up a task force to monitor the current economic situation and report to the General Assembly from time to time.

Past and recent experience has shown only too starkly the disaster that has been visited upon us by a system that treats developing countries as minors and surrogates in the community of nations in economic matters. But we developing countries have to take the first steps ourselves to redress our own situation. We cannot, and should not, expect those countries that exploit us to feel sympathy for us and take steps to improve our situation. For example, with those raw materials of which we are the sole supplier or the sole producer, we can surely form producer cartels that can increase the prices of those raw materials on the international market. The experience of the Organization of Petroleum Exporting Countries (OPEC) in 1973 is a case in point that can be applied in many other areas of raw material production, and managed better. There have been many controversies about that important step taken in 1973, but the hard reality is that it did increase the earnings of the countries concerned that produced oil and other related commodities.

The formation of cartels and producer co-operatives as a means of mitigating the negative effects of price fluctuations and to maximize the returns of our exports, is a definite course of action that is open to us. The other way open to us is the one we have described in many documents at present, whereby we export more to the developed countries and earn less for the same quantity of products.

In an era characterized by the increasing recourse to greater regional economic integration in Europe and North America, it is essential that developing countries also vigorously pursue their own integration efforts. We should not just

(Mr. Shamuyarira, Zimbabwe)

wait and see the developed markets integrating themselves, deepening their co-operation, while we stand by being marginalized by the events. For us in Africa it becomes more urgent than ever that we seek to bring about the realization of the objectives of the Lagos Plan of Action, particularly the creation of an African common market, as envisaged therein.

(Mr. Shamuyarira, Zimbabwe)

Existing economic groupings such as the Southern African Development Coordination Conference (SADCC) - which was described very fully by the previous speaker - the Eastern Southern Africa Preferential Trade Area (PTA), the Economic Community of West African States (ECOWAS), and others have made a good start. Many teething problems have been ironed out, and some progress, although modest, has been made. Similarly, developing countries in Asia and Latin America have accelerated and should accelerate their own efforts at furthering, strengthening and deepening regional economic co-operation in their regions, among themselves.

The orthodox structural adjustment programmes that were imposed on the developing countries in the 1980s have made recovery even more difficult. There is no economic recovery taking place in third-world countries. While short-term indicators may have given the erroneous impression of progress, long-term transformation has suffered immeasurably. At the same time, the conditions of the most vulnerable segments of developing countries' societies - in particular women, children and the aged - have wallowed deeper in the quagmire of poverty. Rather than address the fundamental and underlying economic problems of those countries, the adjustment measures etched at the symptoms only.

If we persist in the 1990s along that path, this decade is likely to be an equally lost decade for development as were the 1980s. The Executive Secretary of the Economic Commission for Africa (ECA), Dr. Adedeji, was quite right in describing the 1980s as a decade lost to development, in Africa as well as in other third-world countries, with very few exceptions in South-East Asia. The litter and misery that have been the legacy of the 1980s in the developing countries are there for all of us to see. We must indeed turn over a new leaf. One of the most refreshing initiatives on the subject is the alternative framework proposed by the ECA in the recent pamphlet entitled "African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation".

(Mr. Shamuyarira, Zimbabwe)

That document shows clearly the negative effects of the current structural adjustment programmes of the International Monetary Fund and the World Bank on the economies of third-world countries. It shows that these structural adjustment programmes undermine a number of important factors in our development. They undermine our food production; they increase the prices of our goods to our own people; they import inflation; they increase unemployment among our people, and we are forced to reduce the level of employment; and they increase our dependence on the developed economies of the North.

Those factors militate against the resumption and revitalization of growth and development in developing countries, which is the subject of our discussion here. The situation calls for imagination and innovation. For a start, it is essential that the long-term goal of development is kept and is not sacrificed for short-term goals. In this context, the international community needs to support in a more active and concrete way the initiatives of Africa that have already been referred to.

The debilitating debt problem has been commented upon by many other speakers before me. It is a debt that cannot be paid, and some would go as far as to suggest that it should not be paid. We commend those developed countries that have taken the realistic and generous steps of cancelling some of these debilitating debts. At the start of 1989, developing countries' total debt stood at $1.3 trillion. That figure represents nearly twice our annual export earnings. At that level, annual interest obligations run at about $100 billion. While it is often said that a debt-servicing ratio of not more than 25 per cent of a country's export earnings is more manageable, developing countries' debt-servicing obligations averaged about 40 per cent in 1989, and may go higher in the next decade. At the same time, since 1983, developing countries have suffered a perverse net transfer of financial resources to developed countries and

(Mr. Shamuyarira, Zimbabwe)

multilateral financial institutions. In 1988 alone, that amounted to $32.5 billion, with a cumulative total of $115 billion from 1983 to 1988. These twin problems are an economic threat to developing countries, but they are also a challenge to the world economic system as a whole.

Although there have been some commendable attempts to address these twin problems, it is clear that these have been mere palliatives. The orthodox prescriptions of devaluation of currencies, reduction of budget deficits, liberalization of trade and privatization of State-owned enterprises do not remove the threat or the challenges. The day of reckoning is now at hand. Debt-reduction schemes, as envisaged in the Brady plan, have not been successful. It has only been implemented in Mexico, and the results we have seen about its implementation there have not been all that successful or encouraging.

What is clear, however, is that all countries and all Governments must take effective financial and economic action to remove the huge debts in order to protect the existing international economic system itself. The threat and the challenge to the international economic system does not face developing countries alone. Even the developed countries face similar problems of huge debts, rising inflation and unemployment at the same time, protectionism of a different kind, unstable commodity prices, adverse financial flows, and so on.

The decay and the decline of standards of living of very large sections of the world population are stark realities facing all mankind. That decay and that decline are prevalent in developed as well as developing countries. Indeed, some of the developed countries are the largest debtors on the international market, more indebted than the developing countries.

We cannot successfully launch developing countries on the path to sustainable growth and development without appropriately and adequately addressing the serious environmental problems our countries face. The continued destruction and

(Mr. Shamuyarira, Zimbabwe)

degradation of the environment through desertification, deforestation and soil erosion impinges upon the development prospects of developing countries in a most pernicious way. Our hope for salvation lies in global co-operation on the environment that expresses itself in more practical terms. In this context, the relationship between environment and development must be concretized in such key areas as energy, industry and transportation, and at the level of projects and operations.

We are lending the full support of our Governments in third-world countries to the projected international conference on the environment in 1992, in the fervent hope that concrete and practical proposals will be adopted there, followed by global action to redress the situation. The question of environment is indeed one subject in which all mankind has a common destiny and a common concern.

The meeting rose at 1.10 p.m.